Judge:	Hon. Marc L. Barreca
Chapter:	Chapter 7
Hearing Date:	June 1, 2012
Hearing Time:	9:30 a.m.
Hearing Site:	700 Stewart St, #7106 Seattle, WA 98101

UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re: ADAM GROSSMAN, Debtor.	Case No. 10-19817 **DECLARATION OF DENICE MOEWES IN SUPPORT OF TRUSTEE'S REPLY TO DEBTOR'S OBJECTION TO TRUSTEE'S MOTION FOR ORDER APPROVING SETTLEMENT OF ISSUES RELATING TO 868 MONTCREST, REDDING, CALIFORNIA.**

DENICE MOEWES declares under penalty of perjury of the laws of the State of Washington as set forth below.

1. I am over the age of 21 and am competent to testify to the matters set forth herein.

2. I am an attorney for Wood & Jones, P.S., and we represent Ronald G. Brown, the Chapter 7 Trustee.

3. Attached hereto as Exhibit "1" is a true and correct copy of the Declaration of Adam Grossman Re: Supplemental Discovery Responses that was filed in King County Superior Court Case Number 09-30-02955-9SEA.

Wood & Jones, P.S.
303 N. 67th Street
Seattle WA 98103
(206) 623-4382

4. I have not followed the debtor's appeal of the Decree of Dissolution and until today was not aware of any deadlines or dates in that appeal.

Signed and dated this 29th day of May, 2012 at Seattle, Washington.

Denice E. Moewes
Denice E. Moewes

Wood & Jones, P.S.
303 N. 67th Street
Seattle WA 98103
(206) 623-4382

EXHIBIT“1”

EX15

(b)

SUPERIOR COURT OF WASHINGTON COUNTY OF KING

In re the Marriage of: JILL IRINA BORODIN, Petitioner, and ADAM REED GROSSMAN, Respondent.	NO. 09-3-02955-9SEA DECLARATION OF ADAM GROSSMAN RE: SUPPLEMENTAL DISCOVERY RESPONSES

ADAM R. GROSSMAN Declares as follows:

The attached documents, Bates numbered 1571-1603, include a letter from my attorney and attachments thereto. The facts stated in those documents are accurate with one correction:

At the bottom of page 7 of my attorney's letter (#1577), he states that I "redeemed a portion of TDCM's units in Tanager Fund to raise $118,000." The units redeemed were units held in the name of Ms. Borodin and myself, not TDCM as stated.

With that correction, I swear under penalty of perjury the laws of the State of Washington that the attached documents are true and accurate.

Signed this 8th day of June, 2010, at Seattle, Washington,

Adam R. Grossman

(1)

EDWARDS, SIEH, SMITH & GOODFRIEND, P.S.
500 WATERMARK TOWER, 1109 FIRST AVENUE
SEATTLE, WASHINGTON 98101
(206) 624-0974 (206) 624-0809 (FAX)

EDWARDS, SIEH, SMITH & GOODFRIEND, P.S.

ATTORNEYS AT LAW

CARL T. EDWARDS
HOWARD M. GOODFRIEND
ROBERT G. SIEH
CATHERINE WRIGHT SMITH
VALERIE A. VILLACIN

MALCOLM L. EDWARDS (Retired)
RINDA EVANS (Paralegal to Carl Edwards)

cle@essglaw.com
500 WATERMARK TOWER
1109 FIRST AVENUE
SEATTLE, WASHINGTON 98101
FACSIMILE 206.624.0809
TELEPHONE 206.624.0974

rme@essglaw.com

June 6, 2010

Ms. Jennie Laird
Michael W. Bugni & Assoc., PLLC
11320 Roosevelt Way NE
Seattle WA 98101

Re: Grossman-Borodin Dissolution

Dear Jennie:

This letter follows Adam's production of discovery responses and is intended to provide a road-map for that material. In particular, I would like to address the history of Adam's business entities and provide an overview of how Adam has managed the community assets held by those entities since the time Jill filed for divorce in April 2009..

I. Overview of Adam's Business Interests.

Adam has interests in the following four business entities:

- Terrington Davies Tanager Fund
- Terrington Davies
- Ptarmigan Real Estate Fund
- Terrington Davies Capital Management

This letter will now describe these four entities and explain how they are related.

First, I would like to note that it is common practice in the asset management industry to use a two-entity structure consisting of one legal entity which exists merely to hold client assets (the "Fund") and a second legal entity which manages the client assets in the fund (the "Advisor"). The "fund" entity typically pays fees to the "advisor" entity based on the size and performance of the fund. Two such relationships are present here:

1. The Tanager Fund holds client assets, solely in the form of securities held and traded within a single Schwab One Brokerage account held in the name of Terrington Davies Tanager Fund LP. Terrington Davies LLC is the advisor entity for the Tanager Fund.

2. The Ptarmigan Real Estate Fund LLC was established to hold client assets, which at this time consist entirely of one house in California purchased entirely with community funds. Terrington Davies Capital Management LLC is the advisor entity for the Ptarmigan Fund.

Terrington Davies Tanager Fund LP: Adam formed this limited partnership in 2006 with his friend Jeffrey Bernstein, who is an attorney. The Tanager Fund is registered with the SEC as an investment fund that trades "S & P index derivatives." (Form D filed with SEC on 10/11/06) (Bates # 1547) The sale of a limited partnership interest in the fund is considered to be a sale of securities for purposes of SEC regulations.

The Tanager Fund is a Limited Partnership registered in Delaware. The General Partner (the "Advisor") is Terrington Davies LLC, which is described below.

The limited partnership and the securities it issues are regulated by the SEC under Reg D, §604,605,606, under "small business" exemptions. This form of registration has the advantages of less costly registration, reporting, and filing requirements. The disadvantages are that the fund's size is limited, it cannot advertise or make a public offering, and all solicitations must be to individuals or entities with whom the person making the solicitation has a (loosely defined) pre-existing relationship. The names of the investors are confidential. Due to the private nature of a small fund (i.e., its securities are not registered and cannot be traded publicly), all potential investors are people whom Adam and Jeff know personally which may include some from the Congregation Beth Shalom community. This divorce has had a significant, negative impact on Adam's ability to sell additional limited partnership interests.

The investors purchase "capital units" in the fund based on the unit price at the time they invest in the fund. The unit price for a "capital unit" is referred to as the "NAV," which usually stands for "net asset value" but occasionally is used by a minority of financial writers for "net asset value per share [or per capital unit]." Adam reports that using "NAV" without the qualifier "per share" or "per capital unit" is not as clear as explicitly using the terms "Capital Unit Value" or "Unit Value," but he and Mr. Bernstein started using NAV to indicate "unit value" early on, and have stuck with that terminology to be consistent. (The limited partnership agreement actually uses the term "UNIT VALUE POST-FEE.") (# 1558) Thus, anyplace you see "NAV," please understand that it is referring the fund's "capital unit value" and the valuation is on a per-unit basis. If the NAV is 1.0000, the value of each capital unit is $1.00 and corresponds to what most people understand as "share price."

The fund was capitalized when 250,000 units were sold for $1/unit in June 2006. Adam and Jill provided $220,000 of the initial $250,000 investment, thereby acquiring 220,000 units at the opening NAV of $1/unit. Since that initial capitalization at $1/unit, the NAV has varied over time based on the fund's performance. The NAV is set at the end of each calendar month. The highest NAV was 1.8786 on 6/30/09, which means that an investor buying in during the month of July 2009 would have paid $1.88/unit. The 5/31/10 NAV was 0.913. An investor today would pay only $0.93/unit. (The current value is stated for illustrative purposes only. Adam is not currently seeking new investors for the Tanager Fund because he and his partner are probably going to close the fund.)

As investors were added, the number of capital units increased. The number of investors (and the number of capital units for fund) can also decrease because limited partners have the unconditional right redeem all or part of their capital investment at any time by simply notifying the General Partner that they would like to do so. The amount of notice required to redeem units depends on the number of units being redeemed and ranges from 10 to 60 days. (#1559) One investor liquidated his entire account shortly after it became known to him that Jill and Adam's divorce had become less amicable. Two more have requested to liquidate their accounts effective 5/31/10, and another investor has given notice that he intends to redeem his units in the immediate future, but his notice to redeem is still pending. Adam has also redeemed the bulk of the parties' capital units in the Tanager Fund, which I will explain in more detail below. The money Adam received upon redemption of the Tanager Fund units is now invested in a house held by the Ptarmigan Fund, which I will also address below.

The highest number of capital units in the fund was 782,487[1], which was the number of units in the fund from October 2008 through January 2009. The fund currently comprises 385,892 units. The total net asset value of the fund as of 5/31/10 was $371,570.74. This is an extremely small asset base for an investment fund, which is one reason why Adam and Mr. Bernstein are considering closing the fund.

I have attached a spread sheet that brings together a lot of information about the fund's performance on a month-by-month basis from the time it was opened in June 206 through May 2010. (Tab 1)

Also attached is a second spreadsheet showing all purchases and redemptions of capital units in the Tanager Fund. (Tab 2) (This answers Steve Kessler's question regarding new investment and redemptions for each year of the fund's existence.) On the list of client names, Adam has redacted all names of clients who have no relation to the parties. The client identified as "TDCM, LLC" is Terrington Davies Capital Management, LLC. Transactions in the name of TDCM, LLC were not redacted because the money invested or withdrawn in the name of TDCM, LLC, is actually community money.

At the present time, the parties hold 6,747 capital units in the Tanager fund in the names of their children and 493 units in the name of TDCM, LLC. At 5/31/10 NAV of 0.9613, the consolidated value of the parties' holdings in the Tanager Fund is $6,960. (Before anyone has an anxiety attack in response to that figure, the overwhelming bulk of the parties' holdings is now invested in a house held in the name of the Ptarmigan Fund.

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[1] All figures in this letter regarding the number of units in the Tanager are rounded to whole numbers. The attached spreadsheet actually breaks the units down to four decimal places, which is more detail than we need for this letter.

Adam provided tax returns for the Tanager Fund, LP, which is the only one of these entities that has filed a tax return. The returns were prepared by the Peterson Sullivan accounting firm. No financial statements were prepared prior to preparing the tax returns because the fund's accounting was so simple: 100% of the fund's assets are held in a single Schwab brokerage account. There are trades within the Schwab account that have a gains and losses, and there is a small amount of interest income. Positions are marked-to-market on the account statements. Accordingly, the accountants have agreed that financial statements are not necessary because they could prepare accurate tax returns without them. Accordingly, no financial statements have ever been prepared for the Tanager Fund LP.

Terrington Davies. Terrington Davies LLC, is the general partner and advising entity for Terrington Davies Tanager Fund LP. Terrington Davies LLC is owned by Adam and Jeffrey Bernstein. Terrington Davies' only source of income is fee revenue from the Tanager Fund LP. The Tanager Fund's obligation to pay fees to Terrington Davies LLC, is defined by the Investment Management Agreement between those two entities. (# 1532-38)

Adam and Mr. Bernstein's relationship is defined by their Principal's Agreement. (# 1539-41) They have equal voting rights (i.e., equal management control). Because Adam spends more time working on the fund as the trading manager, retained earnings are distributed 2/3's to Adam and 1/3 to Mr. Bernstein. Accordingly, Adam is also responsible for meeting 2/3's of any capital calls.

As provided in the Investment Management Agreement, the Tanager Fund LP, pays fees to Terrington Davies LLC, using the most common industry standard:

- Administrative fees: 2% of the next asset base, calculated and paid monthly ($1/12^{th}$ of 2% of the fund's total net asset value, calculated on the last day of each month).
- Performance-based fees: 20% of profits as defined by the amount by which the fund's net asset value at the end of any month exceeds the previous High Water Mark ("HWM") multiplied by the total number of capital units.

The HWM for any given month is defined as the highest NAV (i.e., capital unit value) for any of the preceding 11 months. For May 2010, for example, the HWM was 1.8786 based on the NAV at the end of June 2009, which was the highest month-end NAV for the preceding 11 months. For July 2010, the HWM will drop to 1.6108 based on the NAV at the end of February 2010, which is the highest month-end NAV for the 11 months prior to June 2010. Unless the fund exceeds an NAV of 1.6108 in the interim, the operative HWM will be 1.6108 through January 2011. The purpose of a HWM is to prevent the Advisor from being paid twice for the same gain, i.e., not being required to make up any loss before being paid for a gain.

Thus, during periods when the fund's NAV increases each month, the Tanager Fund pays an advising fee to Terrington Davies at the end of each month which is equal to 20% of the previous month's increase. If the fund's NAV holds steady or decreases, no performance based fees are paid until the fund once against exceeds the relevant HWM.

Adam and Mr. Bernstein are paid by Terrington Davies LLC whenever there are "retained earnings" available for distribution. (#1540, ¶ 6). Retained earnings are split 1/3-2/3's and paid to the partners irregularly, To be clear: the Tanager Fund LP pays fees to TD LLC. TD LLC has ongoing administrative expenses that must be covered before any distribution of retained earnings can be made. Adam and Mr. Bernstein have paid themselves when it appeared that they could do so while still leaving sufficient operating capital in the TD LLC operating account (which is a Schwab One Account in the name of TD LLC).

The spreadsheet attached as Tab 1 shows the administrative fees (2%) and performance-based fees (20%) that have been paid each month since the fund was started. The fund has not generated any performance based fees since 6/30/09, when the current HWM was set.

With a 5/31/10 NAV of 0.913 and a current HWM 1.6108, there is no expectation that the fund will generate any performance based fees for the foreseeable future.

We have included unsigned agreements for the formation of Terrington Davies LLC. Adam is not sure that he and Jeffrey ever signed the agreements, though they have followed them and rely upon the written agreements as the basis for their business relationship.

Due to the poor performance of the fund, the unlikelihood that it will generate any performance based fee income in the foreseeable future, and the shrinking size of the asset base, Adam and Mr. Bernstein are discussing whether, when, and how best to close the fund. For a variety of reasons, they do not believe it would be best to simply close the fund immediately, but they are moving in that direction. As it stands right now, Terrington Davies LLC, needs to have its accountants (Peterson and Sullivan) prepare Tanager Fund's tax return, and there's not enough money held by Terrington Davies LLC to cover that expense. Adam and Mr. Bernstein will have to pay in additional capital to Terrington Davies LLC to cover the expected accounting fees. Additional paid-in capital by Adam will probably be around $10,000 to $15,000.

The only tangible asset held by Terrington Davies LLC, is the Charles Schwab account in the name of Terrington Davies LLC, which they use as a checking account. A full set of statements for the Terrington Davies Schwab account was provided with Adam's discovery responses. (See documents produced in response to Request for Production No. 10)

Ptarmigan Real Estate Fund: After the Financial Crisis of 2008 and the Madoff Scandal, it began to appear that the Tanager Fund would not continue to progress according to plan as it had since inception. Future growth at the projected rates became questionable thus limiting its ability to provide income. Adam therefore established the Ptarmigan Fund in February, 2009 after initial research started in December, 2008 led him to believe it held opportunity. The purpose of the fund was to identify, purchase, and hold real property in the vicinity of Redding, California. The strategy behind the Ptarmigan Real Estate Fund is to buy properties with little to no equity subject to existing financing, hold them for approximately 4 to 6 years, and then sell them either with buyer obtained financing or seller-financed.

As I will explain, the Ptarmigan fund has essentially gone nowhere, and the two business entities related to that fund (Ptarmigan Real Estate Fund LLC and TDCM LLC) have little significance. No one other than Adam has invested any money in the Ptarmigan Real Estate Fund. The only members of Ptarmigan Real Estate Fund are Adam and Jill and Terrington Davies Capital Management LLC (TDCM LLC), and Adam is the only member of TDCM LLC. Using money redeemed from the Tanager Fund, Adam has purchase one house in the name of the Ptarmigan Fund. Because the parties hold a 100% beneficial interest in the Ptarmigan Fund, we can disregard the business formalities and the treat the house owned by Ptarmigan Fund as a community asset for purposes of this divorce. There is no one to object if Adam decides to close the entities related to the Ptarmigan Fund.

The Ptarmigan Real Estate Fund LLC is a limited liability company registered in Delaware. (Tab 3) Beyond the registration filings, there are essentially no other corporate documents for this entity. There is no signed operating agreement. No financial statements have ever been prepared . No tax returns have been prepared or filed. There are no minutes of meetings. There are no employees, and no fees have ever been paid by the fund. It would be most accurate to describe the Ptarmigan Real Estate Fund LLC as the shell of business that Adam wanted to start, but which was never truly formalized, funded (certainly not by anyone other than Adam), or marketed.

The only assets held by the Ptarmigan Real Estate Fund LLC are the house purchased with community funds and a Bank of America checking account with a $139.62 balance of 4/30/10. (Statements produced with discovery materials)

The house purchased through the Ptarmigan fund is located at 868 Montcrest Dr., Redding, California. To complicate matters further, title is held in the name of the "868 Montcrest Dr. Family Trust." The Ptarmigan Fund is the beneficiary of the trust, which means the parties hold 100% of the beneficial interest in this trust. There are no other assets of any kind held in the name of this trust. There should be no issues regarding the trust at mediation because, as with the Ptarmigan Fund LLC and TDCM LLC, we can disregard these corporate forms and treat the house as community property for purposes of this divorce. Closing documents for the purchase of the house located at 868 Montcrest Dr., Redding, CA, are attached. (Tab 4) Adam estimates that the house has a FMV of $215,000. There is no debt on the house at this time.

Terrington Davies Capital Management. TDCM LLC was intended to be the Managing Member and advising entity for Ptarmigan Real Estate Fund LLC. Adam is the sole member of TDCM LLC.

As with the Ptarmigan Real Estate Fund LLC, the only available corporate documents for TDCM LLC are the registration documents. (Tab 5) There is no signed operating agreement. There are no employees. No income has ever been generated by this entity. No financial statements have ever been prepared, and no tax returns have ever been prepared or filed. The only assets held by TDCM LLC are: (1) a Bank of America Checking Account which had balance of $12.15 as of 4/30/10, and (2) 492 units in the Tanager Fund with a current value of $474.

When Adam was conceptualizing the relationship between TDCM LLC and the Ptarmigan Fund, he had intended for the Ptarmigan Fund to be able to loan excess funds to the TDCM, its advising entity. Accordingly, there are two large transactions where Adam did the following: (1) transferred community funds from the Tanager Account to the Ptarmigan Fund checking account, (2) "loaned" those funds to TDCM LLC, by transferring the funds to the TDCM LLC checking account and (3) promptly reinvested those funds in the Tanager Fund in the name of TDCM LLC. These two transactions happened as follows:

1. On 6/01/09, Adam redeemed units in the Tanager Fund to raise $165,000. That $165,000 was transferred directly to the Ptarmigan Fund Bank of America checking account on 6/01/09. Adam transferred an additional $10,000 to the Ptarmigan Fund bank account that day from the TDCM Bank of America checking account, for a total deposit on 6/01/09 of $175,000. Adam then transferred $175,000 from the Ptarmigan account to the TDCM checking account. (This was the transaction referred to above as a loan from Ptarmigan to TDCM.) TDCM then issued a check in the amount of the $175,000 which was deposited in the Tanager fund account on 6/02/09. The primary result of this transaction is that a large portion of the parties' investment in the Tanager Fund was now held in the name of TDCM instead of the names of the parties.

2. On 8/03/09, Adam redeemed a portion of TDCM's units in the Tanager Fund to raise $118,000. On 8/03/03, Adam transferred the $118,000 to the Ptarmigan Fund checking account, then to the TDCM checking account (this is the transaction referred to as a loan above), and then back to the Tanager Fund.

There is no documentation of these "loans" other than the bank statements showing the transfers. Adam made these two circuitous transactions on the theory that the parties (with the first transaction on 6/01/09) and then TDCM LLC (with the 8/03/09 transaction) would acquire an equity interest in the Ptarmigan Fund by depositing money in the Ptarmigan Fund account, notwithstanding that the money so deposited was promptly loaned to TDCM LLC.

Adam used the TDCM LLC checking account to pay most of his expenses related to work on the Ptarmigan Fund, which required him to spend significant amounts of time in California. Adam traveled and lived frugally. Some of Adam's expenses which were clearly business-related were paid directly out of the TDCM checking account. Adam also transferred money from the TDCM checking account to his personal checking account so he could use those funds to pay personal living expenses. The funds Adam transferred to his personal checking account from the TDCM checking account were derived from funds that Adam had borrowed from separate sources which had been previously deposited in the TDCM checking account. In particular, Adam made the following deposits to the TDCM checking account from loans that were identified in his response to interrogatories numbers 118-20:

8/12/09	$15,000 borrowed from Lyman Opie
10/08/09	$15,000 borrowed from Lyman Opie
11/13/09	$35,000 borrowed from Lyman Opie

A spreadsheet is attached which shows the source of every deposit to Adam's personal checking account since 1/21/09. (Tab 6) That table shows deposits totaling $58,200 to Adam's personal checking account from the TDCM checking account. Those funds were derived from the $65,000 that Adam borrowed from Mr. Lyman and deposited into the TDCM account.

One final note on the Ptarmigan Fund and TDCM, LLC: When Adam purchased the 868 Montcrest Dr. property for the Ptarmigan Trust, he used $229,000 from the Tanager Fund. Technically, those funds should have flowed from the Tanager Fund Account to the Ptarmigan Fund account and then to the escrow account for closing. Instead, Adam wired the funds directly from the Tanager Fund account to the escrow account on 3/04/10.

I suspect that you and Steve will have additional questions. The most efficient way to resolve whose questions may to be have Steve meet directly with Adam. I would like to present at that meeting. You are of course welcome to join us. I can't meet on Monday unless we do it very late in the day (4 or 5 pm, working late if that's what Steve would like to do). I'm available Tuesday after 11:00 a.m., Wednesday except 2-4:00 p.m., and all day Thursday. Please let me know if Steve would like to meet with us.

FOR SETTLEMENT PURPOSES ONLY/ER 408/PRIVILEGED

Sincerely,

Carl T. Edwards

Encl.
cc: Adam Grossman
Steven Kessler
061310 Laird ltr

TERRINGTON DAVIES TANAGER FUND
Monthly Data

	Units	$ payable to TDLLC	Equity (start)	$ after trading	Equity (post-trading)	Pre NAV	HWM	2%	20%	Total Fees	$ after fees	Post NAV	In/Out Flow	Equity (end)	Unit Change	Units
2006-06-30				$0.00	$0.00	1.0000	0.0000	$0.00	$0.00	$0.00	$0.00	1.0000	$250,000.00	$250,000.00	250,000.0000	250,000.0000
2006-07-31	250,000.0000		$250,000.00	$264,460.65	$254,460.65	1.0178	1.0000	$424.10	$892.13	$1,316.23	$253,144.42	1.0126	$50,000.00	$303,144.42	49,378.9279	299,378.9279
2006-08-31	299,378.9279	$1,316.23	$303,144.42	$347,746.42	$346,430.19	1.1572	1.0126	$577.38	$8,657.15	$9,234.54	$337,195.65	1.1263	$0.00	$337,195.65	0.0000	299,378.9279
2006-09-30	299,378.9279	$10,560.77	$337,195.65	$341,868.08	$331,317.31	1.1067	1.1263	$552.20	$0.00	$552.20	$330,765.12	1.1048	$50,000.00	$380,765.12	45,255.5172	344,634.4451
2006-10-31	344,634.4451	$11,102.96	$380,765.12	$355,508.76	$345,505.80	1.0025	1.1263	$575.84	$0.00	$575.84	$344,929.95	1.0009	$0.00	$344,929.95	0.0000	344,634.4451
2006-11-30	344,634.4451	$11,678.81	$344,929.95	$384,090.72	$372,411.91	1.0806	1.1263	$620.69	$0.00	$620.69	$371,791.23	1.0788	$0.00	$371,791.23	0.0000	344,634.4451
2006-12-31	344,634.4451	$0.00	$371,791.23	$384,077.59	$384,077.59	1.1144	1.1263	$640.13	$0.00	$640.13	$383,437.46	1.1126	$100,000.00	$483,437.46	89,880.2231	434,514.6682
2007-01-31	434,514.6682	$0.00	$483,437.46	$512,862.91	$512,862.91	1.1803	1.1263	$854.77	$4,692.31	$5,547.08	$507,315.83	1.1675	$205,000.00	$712,315.83	175,581.9585	610,096.6267
2007-02-28	610,096.6267	$0.00	$712,315.83	$698,402.58	$698,402.58	1.1447	1.1675	$1,164.00	$0.00	$1,164.00	$697,238.58	1.1428	$25,000.00	$722,238.58	21,875.4616	631,972.0882
2007-03-31	631,972.0882	$0.00	$722,238.58	$650,805.31	$650,805.31	1.0298	1.1675	$1,084.68	$0.00	$1,084.68	$649,720.63	1.0281	-$14,000.00	$635,720.63	-13,617.5592	618,354.5290
2007-04-30	618,354.5290	$1,084.68	$635,720.63	$399,498.66	$398,413.98	0.6443	1.1675	$664.02	$0.00	$664.02	$397,749.96	0.6432	$0.00	$397,749.96	0.0000	618,354.5290
2007-05-31	618,354.5290	$1,748.70	$397,749.96	$402,723.85	$400,975.15	0.6485	1.1675	$668.29	$0.00	$668.29	$400,306.86	0.6474	$0.00	$400,306.86	0.0000	618,354.5290
2007-06-30	618,354.5290	$2,416.99	$400,306.86	$493,996.32	$491,579.33	0.7950	1.1675	$819.30	$0.00	$819.30	$490,760.03	0.7937	$0.00	$490,760.03	0.0000	618,354.5290
2007-07-31	618,354.5290	$1,084.68	$490,760.03	$532,497.27	$531,412.59	0.8594	1.1675	$885.69	$0.00	$885.69	$530,526.91	0.8580	$0.00	$530,526.91	0.0000	618,354.5290
2007-08-31	618,354.5290	$1,970.36	$530,526.91	$566,552.80	$564,582.44	0.9130	1.1675	$940.97	$0.00	$940.97	$563,641.47	0.9115	$0.00	$563,641.47	0.0000	618,354.5290
2007-09-30	618,354.5290	$2,911.33	$563,641.47	$618,445.22	$615,533.89	0.9954	1.1675	$1,025.89	$0.00	$1,025.89	$614,508.00	0.9938	$0.00	$614,508.00	0.0000	618,354.5290
2007-10-31	618,354.5290	$0.00	$614,508.00	$678,490.50	$678,490.50	1.0973	1.1675	$1,130.82	$0.00	$1,130.82	$677,359.68	1.0954	$0.00	$677,359.68	0.0000	618,354.5290
2007-11-30	618,354.5290	$1,130.82	$677,359.68	$727,178.38	$726,047.56	1.1742	1.1675	$1,210.08	$818.05	$2,028.13	$724,019.43	1.1709	$0.00	$724,019.43	0.0000	618,354.5290
2007-12-31	618,354.5290	$0.00	$724,019.43	$813,871.41	$813,871.41	1.3162	1.1709	$1,356.45	$17,970.40	$19,326.85	$794,544.56	1.2849	-$12,000.00	$782,544.56	-9,339.0034	609,015.5256
2008-01-31	609,015.5256	$19,326.85	$782,544.56	$831,159.68	$811,832.73	1.3330	1.2849	$1,353.05	$5,857.63	$7,210.69	$804,622.04	1.3212	$0.00	$804,622.04	0.0000	609,015.5256
2008-02-29	609,015.5256	$0.00	$804,622.04	$902,615.73	$902,615.73	1.4821	1.3212	$1,504.36	$19,598.74	$21,103.10	$881,512.63	1.4474	-$20,000.00	$861,512.63	-13,817.5110	595,198.0146
2008-03-31	595,198.0146	$0.00	$861,512.63	$911,675.91	$911,675.91	1.5317	1.4474	$1,519.46	$10,032.66	$11,552.12	$900,123.79	1.5123	$0.00	$900,123.79	0.0000	595,198.0146
2008-04-30	595,198.0146	$11,652.12	$900,123.79	$906,112.74	$894,560.62	1.5030	1.5123	$1,490.93	$0.00	$1,490.93	$893,069.69	1.5005	$0.00	$893,069.69	0.0000	595,198.0146
2008-05-31	595,198.0146	$13,043.05	$893,069.69	$952,577.04	$939,533.99	1.5785	1.5123	$1,565.89	$7,882.04	$9,447.93	$930,086.06	1.5626	$10,000.00	$940,086.06	6,399.3865	601,597.4011
2008-06-30	601,597.4011	$9,447.93	$940,086.06	$1,074,830.27	$1,065,382.34	1.7709	1.5626	$1,775.64	$25,059.26	$26,834.89	$1,038,547.45	1.7263	$0.00	$1,038,547.45	0.0000	601,597.4011
2008-07-31	601,597.4011	$0.00	$1,038,547.45	$1,086,706.51	$1,086,706.51	1.8064	1.7263	$1,811.18	$9,631.81	$11,442.99	$1,075,263.52	1.7873	$250,000.00	$1,325,263.52	139,872.0848	741,469.4859
2008-08-31	741,469.4859	$0.00	$1,325,263.52	$1,366,237.42	$1,366,237.42	1.8426	1.7873	$2,277.06	$8,194.78	$10,471.84	$1,355,765.58	1.8285	$75,000.00	$1,430,765.58	41,017.5714	782,487.0573
2008-09-30	782,487.0573	$0.00	$1,430,765.58	$1,410,461.14	$1,410,461.14	1.8025	1.8285	$2,350.77	$0.00	$2,350.77	$1,408,110.37	1.7995	$0.00	$1,408,110.37	0.0000	782,487.0573
2008-10-31	782,487.0573	$0.00	$1,408,110.37	$1,404,326.66	$1,404,326.66	1.7947	1.8285	$2,340.54	$0.00	$2,340.54	$1,401,986.12	1.7917	$0.00	$1,401,986.12	0.0000	782,487.0573
2008-11-30	782,487.0573	$1,377.00	$1,401,986.12	$1,025,481.39	$1,024,104.39	1.3088	1.8285	$1,706.84	$0.00	$1,706.84	$1,022,397.55	1.3066	$0.00	$1,022,397.55	0.0000	782,487.0573
2008-12-31	782,487.0573	$0.00	$1,022,397.55	$1,151,782.75	$1,151,782.75	1.4720	1.8285	$1,919.64	$0.00	$1,919.64	$1,149,863.11	1.4695	$0.00	$1,149,863.11	0.0000	782,487.0573
2009-01-31	782,487.0573	$25,000.00	$1,149,863.11	$1,203,038.01	$1,178,038.01	1.5056	1.8285	$1,963.40	$0.00	$1,963.40	$1,176,074.61	1.5030	-$178,271.38	$997,803.23	-118,610.7123	663,876.3450
2009-02-28	663,876.3450	$1,963.40	$997,803.23	$1,026,607.83	$1,024,644.53	1.5434	1.8285	$1,707.74	$0.00	$1,707.74	$1,022,936.79	1.5409	-$75,000.00	$947,936.79	-48,674.2937	615,202.0513
2009-03-31	615,202.0513	$0.00	$947,936.79	$986,673.57	$986,673.57	1.6038	1.8285	$1,644.46	$0.00	$1,644.46	$985,029.11	1.6011	$25,000.00	$1,010,029.11	15,613.8038	630,815.8551
2009-04-30	630,815.8551	$0.00	$1,010,029.11	$1,107,451.26	$1,107,451.28	1.7556	1.8285	$1,845.75	$0.00	$1,845.75	$1,105,605.51	1.7527	$0.00	$1,105,605.51	0.0000	630,815.8551
2009-05-31	630,815.8551	$0.00	$1,105,605.51	$1,142,940.26	$1,142,940.26	1.8118	1.8285	$1,904.90	$0.00	$1,904.90	$1,141,035.36	1.8088	$20,000.00	$1,161,035.36	11,056.9028	641,872.7579
2009-06-30	641,872.7579	$0.00	$1,161,035.36	$1,216,407.97	$1,216,407.97	1.8951	1.8285	$2,027.35	$8,550.70	$10,578.04	$1,205,829.93	1.8786	-$19,196.14	$1,186,633.79	-10,218.2564	631,654.5015
2009-07-31	631,654.5015	$0.00	$1,186,633.79	$912,119.34	$912,119.34	1.4440	1.8786	$1,520.20	$0.00	$1,520.20	$910,599.14	1.4416	-$20,000.00	$890,599.14	-13,873.3823	617,781.1192

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TERRINGTON DAVIES TANAGER FUND

Monthly Data

	Units	$ payable to TDI LLC	Equity (start)	$ after trading	Equity (post-trading)	Pre NAV	HWM	2%	20%	Total Fees	$ after fees	Post NAV	In/Out Flow	Equity (end)	Unit Change	Units
2009-08-31	617,781.1192	$0.00	$890,599.14	$917,131.81	$917,131.81	1.4846	1.8786	$1,528.55	$0.00	$1,528.55	$915,603.26	1.4821	-$91,932.43	$823,870.83	-62,029.1803	555,751.9389
2009-09-30	555,751.9389	$0.00	$823,670.83	$536,687.68	$536,687.68	0.9657	1.8786	$894.48	$0.00	$894.48	$535,793.20	0.9641	$0.00	$535,793.20	0.0000	555,751.9389
2009-10-31	555,751.9389	$0.00	$535,793.20	$633,973.59	$633,973.59	1.1407	1.8786	$1,056.62	$0.00	$1,056.62	$632,916.97	1.1388	$0.00	$632,916.97	0.0000	555,751.9389
2009-11-30	555,751.9389	$0.00	$632,916.97	$656,338.45	$656,338.45	1.1810	1.8786	$1,093.90	$0.00	$1,093.90	$655,244.55	1.1790	$0.00	$655,244.55	0.0000	555,751.9389
2009-12-31	555,751.9389	$0.00	$655,244.55	$735,333.83	$735,333.83	1.3231	1.8786	$1,225.56	$0.00	$1,225.56	$734,108.27	1.3209	-$25,000.00	$709,108.27	-18,926.0889	536,825.8500
2010-01-31	536,825.8500	$0.00	$709,108.27	$754,742.24	$754,742.24	1.4059	1.8786	$1,257.90	$0.00	$1,267.90	$753,484.34	1.4036	$0.00	$753,484.34	0.0000	536,825.8500
2010-02-28	536,825.8500	$0.00	$753,484.34	$866,149.90	$866,149.90	1.6135	1.8786	$1,443.58	$0.00	$1,443.58	$864,706.32	1.6108	-$229,000.00	$635,706.32	-142,167.4819	394,658.3681
2010-03-31	394,658.3681	$0.00	$635,706.32	$522,416.62	$522,416.52	1.3237	1.8786	$870.69	$0.00	$870.69	$521,545.83	1.3215	$0.00	$521,545.83	0.0000	394,658.3681
2010-04-30	394,658.3681	$0.00	$521,545.83	$450,961.97	$450,961.97	1.1427	1.8786	$751.60	$0.00	$751.60	$450,210.37	1.1408	-$10,000.00	$440,210.37	-8,766.0880	385,892.2801
2010-05-31	385,892.2801	$0.00	$440,210.37	$371,570.74	$371,570.74	0.9629	1.8786	$619.28	$0.00	$619.28	$370,951.46	0.9613	$0.00	$370,951.46	0.0000	385,892.2801

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Date Credited	Date Executed	Client #	Cash In/Out	Unit Price	Units	Total $	Total Units	Purchase/Redemption	Client Name
2006-06-30	2006-06-30	00-5756-01	$220,000.00	1.0000	220,000.0000	$220,000.00	220,000.0000	Purchase units	Grossman
2006-06-30	2006-06-30	00-5756-02	$10,000.00	1.0000	10,000.0000	$230,000.00	230,000.0000	Purchase units	REDACTED
2006-06-30	2006-06-30	00-5756-03	$20,000.00	1.0000	20,000.0000	$250,000.00	250,000.0000	Purchase units	REDACTED
2006-07-31	2006-07-31	00-5756-04	$50,000.00	1.0126	49,378.9279	$300,000.00	299,378.9279	Purchase units	REDACTED
2006-09-30	2006-09-30	00-5757-01	$50,000.00	1.1048	45,255.5172	$350,000.00	344,634.4451	Purchase units	REDACTED
2006-12-31	2007-01-08	00-5757-02	$100,000.00	1.1126	89,880.2231	$450,000.00	434,514.6682	Purchase units	REDACTED
2007-01-31	2007-01-31	00-5757-03	$150,000.00	1.1675	128,474.6038	$600,000.00	562,989.2719	Purchase units	REDACTED
2007-01-31	2007-01-31	00-5756-01	($45,000.00)	1.1675	-38,542.3811	$555,000.00	524,446.8908	Redeem units	Grossman
2007-01-31	2007-01-31	00-5757-04	$100,000.00	1.1675	85,649.7358	$655,000.00	610,096.6267	Purchase units	Borodin
2007-02-28	2007-02-28	00-5756-02	$25,000.00	1.1428	21,875.4616	$680,000.00	631,972.0882	Purchase units	REDACTED
2007-03-31	2007-03-31	00-5756-01	($14,000.00)	1.0281	-13,617.5592	$666,000.00	618,354.5290	Redeem units	Grossman
2007-12-31	2008-01-02	00-5756-01	($12,000.00)	1.2849	-9,339.0034	$654,000.00	609,015.5256	Redeem units	Grossman
2008-02-29	2008-02-29	00-5756-01	($20,000.00)	1.4474	-13,817.5110	$634,000.00	595,198.0146	Redeem units	Grossman
2008-05-31	2008-05-31	00-5757-01	$10,000.00	1.5626	6,399.3865	$644,000.00	601,597.4011	Purchase units	REDACTED
2008-07-31	2008-07-31	00-5758-01	$50,000.00	1.7873	27,974.4170	$694,000.00	629,571.8180	Purchase units	REDACTED
2008-07-31	2008-07-31	00-5757-02	$200,000.00	1.7873	111,897.6678	$894,000.00	741,469.4859	Purchase units	REDACTED
2008-08-31	2008-08-31	00-5758-02	$75,000.00	1.8285	41,017.5714	$969,000.00	782,487.0573	Purchase units	REDACTED
2009-01-31	2009-01-31	00-5756-02	$25,000.00	1.5030	16,633.4484	$994,000.00	799,120.5057	Purchase units	REDACTED
2009-01-31	2009-02-06	00-5757-02	($203,271.38)	1.5030	-135,244.1607	$790,728.62	663,876.3450	Redeem units	REDACTED
2009-02-28	2009-03-04	00-5756-01	($75,000.00)	1.5409	-48,674.2937	$715,728.62	615,202.0513	Redeem units	Grossman
2009-03-31	2009-03-04	00-5758-02	$25,000.00	1.6011	15,613.8038	$740,728.62	630,815.8551	Purchase units	REDACTED
2009-05-31	2009-06-01	00-5757-04	($155,000.00)	1.8088	-85,690.9970	$585,728.62	545,124.8581	Redeem units	Borodin
2009-05-31	2009-06-01	00-5758-03	$175,000.00	1.8088	96,747.8998	$760,728.62	641,872.7579	Purchase units	TDCM, LLC
2009-06-30	2009-06-30	00-5756-01	($19,198.14)	1.8786	-10,218.2564	$741,532.48	631,654.5015	Redeem units	Grossman
2009-07-31	2009-07-31	00-5756-02	($20,000.00)	1.4416	-13,873.3823	($20,000.00)	-13,873.3823	Redeem units	REDACTED
2009-07-31	2009-07-31	00-5756-01	($118,000.00)	1.4416	-81,852.9557	($138,000.00)	-95,726.3381	Redeem units	Grossman
2009-07-31	2009-07-31	00-5758-03	$118,000.00	1.4416	81,852.9557	($20,000.00)	-13,873.3823	Purchase units	TDCM, LLC
2009-08-31	2009-09-10	00-5758-03	($18,000.00)	1.4821	-12,145.0640	($18,000.00)	-12,145.0640	Redeem units	TDCM, LLC
2009-08-31	2009-09-10	00-5769-01	$5,000.00	1.4821	3,373.6289	($13,000.00)	-8,771.4351	Purchase units	Grossman
2009-08-31	2009-09-10	00-5769-02	$5,000.00	1.4821	3,373.6289	($8,000.00)	-5,397.8062	Purchase units	Grossman
2009-08-31	2009-07-31	00-5758-02	($83,932.43)	1.4821	-56,631.3741	($91,932.43)	-62,029.1803	Redeem units	REDACTED
2009-12-31	2009-12-31	00-5756-01	($5,201.87)	1.3209	-3,938.0394	($97,134.30)	-65,967.2197	Redeem units	Grossman
2009-12-31	2009-12-31	00-5758-03	$5,147.36	1.3209	3,896.7783	($91,986.93)	-62,070.4414	Purchase units	TDCM, LLC
2009-12-31	2009-12-31	00-5757-04	$54.50	1.3209	41.2611	($91,932.43)	-62,029.1803	Purchase units	Borodin
2009-12-31	2010-01-05	00-5758-03	($25,000.00)	1.3209	-18,926.0889	($116,932.43)	-80,955.2692	Redeem units	TDCM, LLC
2010-02-28	2010-03-04	00-5758-03	($229,000.00)	1.6108	-142,167.4819	($345,932.43)	-223,122.7511	Redeem units	TDCM, LLC
2010-04-30	2010-06-10	00-5758-03	($10,000.00)	1.1408	-8,766.0880	($355,932.43)	-231,888.8391	Redeem units	TDCM, LLC

See ex 3 p24

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AGENTS AND CORPORATIONS, INC.

PROFESSIONAL CORPORATION SERVICES SINCE 1974

DAVID N. WILLIAMS, ESQUIRE
PRESIDENT

JOHN L. WILLIAMS, ESQUIRE
VICE PRESIDENT

SUITE 600, ONE COMMERCE CENTER
1201 ORANGE STREET
P.O. BOX 511
WILMINGTON, DE 19899-0511

PHONE: (302) 575-0877
(800) 759-2248
FAX: (302) 575-0925

E-MAIL ADDRESS:
AGENTS@INCNOW.COM
WWW.INCNOW.COM

May 7, 2009

Mr. Adam Grossman
6821 39th Ave., NE
Seattle, WA 98115

Re: Formation of Ptarmigan Real Estate Fund LLC

Dear Mr. Grossman:

Please be advised that the above captioned Limited Liability Company ("L.L.C.") was filed and became effective in Delaware on May 7, 2009. Enclosed is the filed stamped copy of the Certificate of Formation returned to us by the office of the Delaware Secretary of State.

In addition, enclosed for your review and the signature of each member, is the Limited Liability Company Agreement which is a private agreement of which each Member should keep a completed and signed copy in his, her or its personal records. Since additional information is required to complete the LLC Agreement, please note that you need to do the following:

Page No.

1. In the first paragraph, fill in the date the Agreement is signed;

2. In paragraph 1.5, fill in the principal place of business of the LLC;

2&3. In paragraph 3.2, enter the amount of initial capital contribution by each Member, and, in paragraph 3.5 the number of voting units to be owned by each Member;

6. In paragraph 6.3, please insert the name of the Member to be the "Tax Matters Member" for income tax purposes;

7. The Voting Members with the majority of Voting Units may delegate their power and authority to a President, Secretary and Treasurer, who could all be the same person and could be a Member of the Company, by filling in their name or names in Paragraph 7.1;

17. In paragraph 11.1 provide the addresses requested.

Enclosed is the Form SS-4 Application for Employer Identification Number (EIN) which is required if your LLC has two or more Members. You may call the Internal Revenue Service at 1 (800) 829-4933 to request the assignment of the EIN number unless you paid us to apply for the EIN.

Our easily understood 11 page Tax and Legal Tips is available on our Web Site. We have enclosed sample Promissory Notes and Medical Reimbursement Plan. Form 2553 is also enclosed if you want to make a Subchapter S Election for your LLC.

We have enclosed Internal Revenue Service Form 8832, Entity Classification Election if you want your LLC classified as a taxable corporation (C Corporation) instead of a sole proprietorship (One Member LLC) or partnership (Multi Member LLC). If you decide to file it, you should complete the Form and check the appropriate boxes in Sections 1 and 2 as to how you want this L.L.C. to be classified with the Internal Revenue Service. The Managing Member should then sign the completed Form and file it with the Internal Revenue Service Office located near you within 75 days after the date of formation or beginning of a tax year.

If this Delaware L.L.C. does business in other states, we suggest that you consult with legal counsel in that state to determine if the L.L.C. should qualify to do business in that state. The same is true if the L.L.C. does business outside of the United States.

REMINDERS

Please be reminded that the Registered Agent address is not and should never be used as a business address for your LLC. State law requires every LLC to have a Registered Agent for the sole purpose to accept and forward any service of process due to legal action against your LLC and to forward State reports.

Once a year you will receive from us the Delaware Annual LLC Tax Notice to file with the Delaware Secretary of State with the required payment or pay online in order to keep your LLC in good standing. You will also receive our Registered Agent bill for $90.00 once a year. Please let us know of any changes in the contact person or address.

This completes the formation of this Limited Liability Company. If you have any questions, please call our Incorporation specialists.

Yours truly,

David N. Williams

State of Delaware
Secretary of State
Division of Corporations
Delivered 12:53 PM 05/07/2009
FILED 10:07 AM 05/07/2009
SRV 090439723 - 4684484 FILE

CERTIFICATE OF FORMATION
OF
Ptarmigan Real Estate Fund LLC

The undersigned, being an authorized person for purposes of executing this Certificate of Formation on behalf of Ptarmigan Real Estate Fund LLC, a Delaware Limited Liability Company (the "L.L.C."), desiring to comply with the requirements of 6 Del.C. Section 18-201 and the other provisions of the Delaware Limited Liability Company Act, 6 Del.C. Section 18-101, et seq. (the "Act"), hereby certifies as follows:

1. Name of the L.L.C.- The name of the L.L.C. is: Ptarmigan Real Estate Fund LLC

2. Registered Office and Registered Agent of the L.L.C. - The name of the registered agent for service of process on the L.L.C. in the State of Delaware is Agents and Corporations, Inc. The address of the registered agent of the L.L.C. and the address of the registered office of the L.L.C. in the State of Delaware is 1201 Orange Street, Suite 600, City of Wilmington, New Castle County, Delaware 19801.

3. Date of Formation and Effective Date - The date of formation and the effective date of the L.L.C. shall be the date of filing of this Certificate of Formation with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, the undersigned hereby executes this Certificate of Formation in accordance with the provisions of 6 Del.C. Section 18-201 this 7th day of May, 2009.

David N. Williams
(Authorized Person)

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PLACER TITLE COMPANY
2146 LARKSPUR LANE
SUITE A
REDDING, CA 96002
Phone: 530-226-1522
Fax: 530-226-1529

Date: February 24, 2010
Escrow No.: 1402-16192-DLS
Escrow Officer: Donna Stefani
Property Address: 868 MONTCREST DR
REDDING, CA 96003

ESCROW INSTRUCTIONS

PLACER TITLE COMPANY, A California Corporation, is licensed to perform escrow services by the State of California, Department of Insurance under Certificate of Authority No. 279.

It is understood, by the parties hereto, that when the term "Escrow Holder" is used throughout these instructions it is always referring to PLACER TITLE COMPANY unless specifically stated otherwise.

Buyer shall deliver to you any instruments and/or funds required from Buyer to enable you to comply with these instructions, all of which you are authorized to use when you are in a position to issue a 2008 CLTA/ALTA Homeowner's Policy of Title Insurance through PLACER TITLE COMPANY, provided that said policy has a liability of $215,000.00, covering the following described property in County of SHASTA, State of California:

LOT 24 AS SHOWN ON THE MAP OF VISTA RIDGE ESTATES, UNIT 2, FILED FOR RECORD JULY 9, 2004 IN BOOK 23 OF MAPS AT PAGE 48, SHASTA COUNTY RECORDS.

A.P.N. 117-460-074

Property Address: 868 MONTCREST DR, REDDING, CA 96003

You are hereby authorized to deliver and/or record all said documents and disburse said funds, together with the proceeds of any deed of trust mentioned, on account for the purchase price of the real property described in your above numbered escrow and on account for the other costs, fees and adjustments in connection therewith.

At the close of escrow, title to be as vested in the name of: ADAM R GROSSMAN

Vesting Title As Follows: (Please Check One)

( ) Joint Tenants
( ) Community Property
( ) Community Property With Right of Survivorship
( ) Tenants In Common ________% of Interest
(X) 868 Montcrest Dr Family Trust ________ Trustees of the ________ Trust dated 3/4/2010
( ) Other ________
( ) With California Community Property Rights as Applicable to Registered Domestic Partnership
( ) With California Community Property and Survivorship Rights as Applicable to Registered Domestic Partnerships.

Policy of Title Insurance shall be free from encumbrances except:
SUBJECT TO:

1. All printed exceptions and conditions in the policy.
2. All general and special taxes not delinquent.
3. The lien of supplemental taxes which may be assessed as a result of a revised assessed values.
4. Bond and/or Special Assessments not delinquent.
5. Covenants, Conditions, Restrictions, Easements, Reservations now of record,
6. Exceptions numbered: 1, 2 - 1ST PD/2ND OPEN, 3, 4, 5 as shown on Preliminary Report dated January 27, 2010.

Prorate as of Date of Recording (est. March 10, 2010):
(X) Taxes
() Homeowners Association Dues
() Other:
() Rents

The receipt by escrow of all documents and monies required to transfer title in accordance with these Instructions shall be deemed as sufficient indication that all contingencies and/or conditions contained in the Purchase Agreement by and between the within Buyers and Sellers have been removed, complied with, or will be satisfied outside of escrow.

The undersigned Buyer and Seller acknowledges that he/she has received and read a copy of the Preliminary Report Order No. 1402-16192. Seller hereby acknowledges that the information contained in the Preliminary Report is correct to the best of his/her knowledge.

Close of escrow to be on or before March 10, 2010 or thereafter unless written cancellation instructions have been received by you in accordance with paragraph #9 of the General Provisions attached hereto and made a part hereof.

These Instructions are effective until revoked by any of the undersigned through written demand delivered to escrow holder. I hereby agree to pay all my proper costs and fees, including any adjustments, and request you to remit balance to me at the address shown below. THE UNDERSIGNED HAS READ AND APPROVED THE GENERAL PROVISIONS ATTACHED HERETO AND NOTED AS ADDENDUM 1.

BUYER:
I/We have received a copy of these Instructions.

By: ______________________
ADAM R GROSSMAN

Mailing Address: ______________________

____

Phone: ______________ Email: ______________

SELLER:

I/We will hand you all instruments and money necessary of me/us to enable you to comply therewith, including a deed to the property described, executed in favor of the vestees, which you are authorized to use and deliver when you hold in this escrow for my/our account the above sum, and any pro-rata adjustments and instruments deliverable to me under these instructions.

From funds due me/us, pay at the close of escrow any encumbrances of record, plus accrued interest, charges and bonus if any, bonds, and/or assessments necessary to comply with same, and/or pay any delinquent monthly installment(s) on existing encumbrance(s) as disclosed by beneficiary statement(s), without my/our subsequent approval.

Instruct the Title Company to begin search of title at once. Deduct and pay from proceeds due me/us, any expenses incurred in my/our behalf including charges for assurance of title, for sending in offset, or beneficiaries' statement(s) and/or demand(s), revenue stamps on Deed, filling in, acknowledging, and recording any document(s) necessary on my/our part, including recording of purchase price encumbrance(s) and seller's escrow fee as charged.

I/We have received a copy of these instructions.

SELLER:

FEDERAL HOME LOAN MORTGAGE CORPORATION
By:

Charlotte Elliott

By: [signature] V.P., Authorized signer
First American Asset Closing Services, as Attorney in Fact

Authorized Signer of National Default REO Services, a Delaware Limited Liability Company dba First American Asset Closing Services("FAACS"), as Attorney in fact and/or agent

Mailing Address: ______________________

____

Phone: ______________ Email: ______________

Received by PLACER TITLE COMPANY
By: ______________ Date: ______________ Time: ______________

Escrow Number: 1402-16192-DLS

Property Address: 868 MONTCREST DR
REDDING, CA 96003

GENERAL PROVISIONS
(Addendum #1)

1. DEPOSIT OF FUNDS AND DISBURSEMENTS
All funds deposited in this escrow from any source shall be deposited by escrow holder in a non-interest bearing demand account or accounts in a state or national bank or savings and loan association. The depositors may, at their election, request deposit of funds in an interest bearing account and escrow holder may charge a fee for establishing such account. The deposit of funds in a non-interest bearing account by escrow holder may result in escrow holder receiving a range of economic benefits from bank in the form of services, credits, benefits, or other things of value. All disbursement shall be made by Escrow Holder's check unless otherwise instructed in writing.

2. PRORATIONS AND ADJUSTMENTS
All prorations and/or adjustments called for in this escrow are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing. The phrase "close of escrow" (C.O.E.) as used in this escrow means the date on which documents are recorded and relate only to proration and/or adjustments unless otherwise specified.

3. RECORDATION OF INSTRUMENTS
Escrow Holder is authorized to record any documents delivered through this escrow, if necessary or proper for the issuance of the requested policy of title insurance. Recordation of documents shall be construed as "close of escrow" unless otherwise specified in these instructions.

4. AUTHORIZATION TO FURNISH COPIES
Escrow Holder is authorized to furnish copies of these instructions, supplements, amendments or notices of cancellations, and closing statements in this escrow, to the real estate broker(s), lender(s), attorney(s), accountant(s) involved in this escrow as well as the title insurer issuing any requested policy(ies) of title insurance upon the request of said lenders, real estate brokers, attorneys, accountants and title insurer.

5. PERSONAL PROPERTY TAXES
No examinations, UCC search or insurance as to personal property and/or the amount of payment of personal property taxes is required unless otherwise instructed in writing.

6. PROPERTY TAXES
Escrow Holder will prorate taxes on real property based on the latest available tax figures.

7. SUPPLEMENTAL PROPERTY TAXES
Buyer and Seller herein acknowledge that there may be supplemental and/or additional taxes which may be assessed by reason of change in ownership or completion of construction pursuant to California Revenue and Taxation Code Section 75 et seq.. This will be reflected in the policy of title insurance issued at close of escrow. Escrow Holder shall not be concerned with any adjustment(s) or supplemental taxes between the parties for bills received by the parties after the close of escrow. Escrow Holder, shall also not be concerned with, or liable for payment, adjustment or proration of supplemental taxes assessed prior to close of escrow, unless said supplemental tax assessments are specifically reflected on the Tax Assessor's rolls or Seller provides any supplemental tax bills to Escrow Holder with an explanation of time periods covered by the tax bill(s) for proration purposes. All assessments not shown on the tax rolls, or not specifically disclosed to Escrow Holder in writing are to be adjusted by the parties outside of escrow without liability to Escrow Holder.

8. AUTHORIZATION TO CORRECT OR AMEND DEED
Buyer and Seller hereby authorize Escrow Holder to correct or amend after execution, the Grant Deed(s) being executed by Seller herein to 1) conform to the vesting of any Deed of Trust (if applicable) being executed by Buyer in this transaction; 2) at the request of Buyer, change or insert the method of holding title to the subject property or 3) correct any typographical errors in the name of the grantor or grantee.

9. RIGHT OF CANCELLATION
Any party instructing Escrow Holder to cancel this escrow shall timely file a notice of cancellation in the specific office of Escrow Holder which is handling the escrow, and so state the reason for cancellation. Upon receipt of such request, Escrow Holder, shall prepare cancellation instructions for signatures of the principals and shall forward same to the principals by certified and/or regular mail. Unless a written objection to cancellation is filed in Escrow Holder's office within 10 days after day of mailing, Escrow Holder is authorized at its option to comply with the notice and demand for payment of Escrow Holder's cancellation charges and other fees or costs incurred in the escrow and set forth in the cancellation instructions. If written objection is filed or Escrow Holder does not receive mutual instructions signed by all parties, Escrow Holder is authorized to hold all money and instruments in this escrow and take no further action until otherwise directed either by mutual instructions or final order of a court of competent jurisdiction, except that Escrow Holder may collect its cancellation charges and other fees or costs incurred in the escrow unless a written objection to said fees and/or charges was received in writing by Escrow Holder within 10 days of mailing the cancellation instructions. This does not in any way limit or revoke the right of Escrow Holder to elect to file an interpleader or institute other legal action as set forth in paragraph 10 of these General Provisions.

10. ACTION IN INTERPLEADER OR OTHER COURT PROCEEDINGS
The principals hereto expressly agree that you, as Escrow Holder, have the absolute right at your election to file an action in interpleader requiring the principals to answer and litigate their several claims and rights among themselves and you are authorized to deposit with the clerk of the court all documents and funds held in escrow. In the event such action is filed, the principals jointly and severally agree to pay your cancellation charges and costs, expenses and reasonable attorneys' fees which you are required to expend or incur in such interpleader action, the amount thereof to be fixed and judgment therefor to be rendered by the court. Upon filing of such action, you shall thereupon be fully released and discharged from all obligations to further perform any duties or obligations otherwise imposed by the terms of this escrow. If you are required to respond to any legal summons or proceedings or if any action of interpleader or declaratory relief is brought by you, we jointly and severally agree to pay all costs, expenses, and reasonable attorneys' fees expended or incurred by you, and a lien is hereby created in your company's favor to cover said items. We agree to save you harmless as escrow holder hereunder from all loss and expense, including reasonable attorneys' fees and court costs sustained by reason of any legal action or otherwise, which may in any way arise out of this escrow, before or after closing, notwithstanding anything in these instructions to the contrary.

11. TERMINATION OF AGENCY OBLIGATION AND PAYMENT OF FEES AND CHARGES
If there is no action taken on this escrow within three (3) months after the estimated closing date as shown on the escrow instructions or any written extensions thereof, Escrow Holder's agency obligation shall terminate at Escrow Holder's option, and Escrow Holder shall prepare cancellation instructions for all parties in the manner set forth in Section 9 (Cancellation) and Section 10 (Interpleader). Nothing in this section limits or revokes Escrow Holder's right to file an interpleader or institute other legal action pursuant to paragraph 10 of these General Provisions.

ASIPROVS

GENERAL PROVISIONS
(Page 2)

12. CONFLICTING INSTRUCTIONS
Should Escrow Holder before or after close of escrow receive or become aware of any conflicting demands or claims with respect to this escrow or the rights to any of the parties hereto, or any money or property deposited herein or affected hereby, Escrow Holder shall have the right to discontinue any or all further acts on Escrow Holder's part until the conflict is resolved to Escrow Holder's satisfaction, and Escrow Holder shall have the further right to commence or defend any action or proceeding for the determination of the conflict as provided in Paragraph 9 (Cancellation) and Paragraph 10 (Interpleader) of these General Provisions.

13. ABANDONED, UNCLAIMED OR DISPUTED FUNDS
Any funds held by Escrow Holder after close of escrow, or after conflicting demands have been made to Escrow Holder regarding the funds, or any funds abandoned or remaining unclaimed shall be maintained pursuant to paragraph 4 of these General Provisions, unless otherwise instructed by the principals in writing. After three years, the remaining amount of any unclaimed or abandoned funds may escheat to the State of California. Nothing in this section limits or avokes the right of Escrow Holder to file an interpleader or other court action pursuant to paragraph 10 of these General Provisions.

14. INSURANCE, POLICIES OTHER THAN TITLE INSURANCE
When dealing with real property and/or improvements located thereon it is advisable to obtain fire, hazard or liability insurance coverage. In all acts in this escrow relating to insurance, including adjustments, if any, Escrow Holder may assume that each policy is in force and that the necessary premium has been paid. Escrow Holder shall not be responsible for obtaining evidence of fire, hazard or liability insurance, unless Escrow Holder has received written instructions prior to close of escrow from the parties and/or their respective lenders.

15. USURY
Escrow Holder is not to be concerned with any questions of usury in any loan or encumbrance involved in the processing of this escrow, including any notes or loan documents prepared by Escrow Holder pursuant to our instructions, and is hereby released of responsibility or liability therefor.

16. LIMITATIONS OF LIABILITY RE: CLERICAL OR MATHEMATICAL ERRORS
In the event Escrow Holder miscalculates or otherwise makes an error in determining applicable prorations, in computing, paying, and/or obtaining lender or other payoff demands or statements, or in determining the amount of required funds from either party for the close of escrow, such error or miscalculation shall not relieve any party from any liability such party would otherwise have had if no such error or miscalculation had been made. To the extent that Escrow Holder shall advance its own funds to mitigate the effects of any miscalculation or error, Escrow Holder shall have the right to immediate reimbursement of such amounts advanced, together with interest at the rate of 10% per annum on the amount advanced plus any attorneys' fees or collection fees incurred.

17. ARBITRATION
Either Escrow Holder or any party to these escrow instructions may demand arbitration pursuant to the title insurance arbitration rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between Escrow Holder and any party to the escrow arising out of or relating to these instructions, any service of Escrow Holder in connection with its performance of its escrow duties. Arbitration pursuant to these instructions and under the rules in effect on the date the demand for arbitration is made shall be binding upon the parties. Any award shall include attorneys' fees. Judgment upon the award rendered by the arbitrator(s) entered in any court having jurisdiction thereof. The law of the State of California shall be the applicable law. A copy of the rules of the American Arbitration Association may be obtained from the Escrow Holder upon request.

18. REAL ESTATE CONTRACTS
Escrow Holder is not a party to the underlying Real Estate Contract. Unless the Real Estate Contract also constitutes joint escrow instructions, which instructions have been accepted in writing by escrow holder, escrow holder accepts no responsibility to discharge conditions or contingencies of the contract, and then only to the extent required by that portion of the contract which constitutes escrow instructions.

19. FACSIMILES
In the event the parties to the transaction transmit signed documents or instructions (other than those documents which must be recorded and bear original notarized signatures) to Escrow Holder by facsimile, Escrow Holder may rely on said documents or instructions in the same manner as if they bore original signatures. Upon Escrow Holder's request, the party transmitting the facsimile document or instruction will provide Escrow Holder the original of the document or instruction which bears original signatures within 72 hours after transmission.

20. REPRESENTATION AND INDEMNIFICATION
The parties who have affixed their signature(s) to these instructions do hereby represent that they have no knowledge of any obligations, debts, easements, covenants or agreements, other than those specific items referenced within these instructions or any amendment thereto that might result in a lien, outstanding interest, or exception to title as of the close of escrow. Said parties do hereby indemnify and agree to reimburse Escrow Holder for any loss, costs, and attorneys' fees resulting from any false representation or failure to disclose such matters referred to under this paragraph, and those which might be created hereafter but prior to said close of escrow.

21. ESCROW NOT RESPONSIBLE FOR PAYMENT OF BILLS
The undersigned acknowledge that any charges for work or inspections on the property are solely the responsibility of the parties to this escrow. Escrow Holder will not be responsible for payment of or collection of payment from parties to this escrow for any bills submitted to escrow other than those that have been approved for payment on the Buyer's, Seller's and Borrower's settlement statements. If bills are submitted by Seller, Buyer or their agents after the settlement statements have been approved, they will be charged to the respective party as verbally instructed by the submitting party.

22. AUTHORIZATION TO OBTAIN PAYOFF AND OTHER INFORMATION
The undersigned hereby instructs and authorizes escrow holder to obtain pay off demands and such other information as escrow holder deems necessary from any creditors or lien holders that are to be paid in whole or in part through this escrow and authorizes said creditors or lien holders to provide such information to escrow holder.

GENPROVS.1.TXT

PLACER TITLE COMPANY
General Provisions
Continued

Escrow# 1402-16192

ALL PARTIES SIGNING THIS AGREEMENT HEREBY ACKNOWLEDGE RECEIPT OF A COMPLETE COPY OF THE ESCROW INSTRUCTIONS AND BY OUR SIGNATURES SET FORTH BELOW, ACKNOWLEDGE THAT WE HAVE READ, UNDERSTAND AND AGREE TO BE BOUND BY THE TERMS AND CONDITIONS CONTAINED THEREIN, IN THEIR ENTIRETY. THESE INSTRUCTIONS MAY BE EXECUTED IN COUNTERPARTS, EACH OF WHICH SHALL BE DEEMED AN ORIGINAL REGARDLESS OF THE DATE OF ITS EXECUTION AND DELIVERY AND ALL SUCH COUNTERPARTS TOGETHER SHALL CONSTITUTE ONE DOCUMENT.

Sellers:

FEDERAL HOME LOAN MORTGAGE CORPORATION
By:

By: ______________________
Authorized signer

Charlotte Elliot

Authorized Signer of
National Default REO Services,
a Delaware Limited Liability
Company dba First American
Asset Closing Services("FAACS"),
as Attorney in fact and/or agent

Buyers:

By: ______________________
ADAM R GROSSMAN

Form GENPROVS.STLAT.S10

1591

Placer Title Company, North Idaho Title Insurance Company, Montana Title and Escrow, National Closing Solutions, NCS Exchange Professionals, Wyoming Title and Escrow, Targhee National Title

PRIVACY POLICY NOTICE

Purpose Of This Notice

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of a persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of:

Placer Title Company, North Idaho Title Insurance Company, Montana Title and Escrow, National Closing Solutions, NCS Exchange Professionals, Wyoming Title and Escrow and Targhee National Title

We may collect nonpublic personal information about you from the following sources:

* Information we receive from you, such as on applications or other forms.
* Information about your transactions we secure from our files, our affiliates or others.
* Information we receive from a consumer reporting agency.
* Information we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

* Financial service providers such as companies engaged in banking, consumer finances, securities and insurance.
* Non-financial companies such as envelope stuffers and other fulfillment service providers.

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

PRIVACY.ZSCRCH (8/2002)

PLACER TITLE COMPANY
2145 LARKSPUR LANE, SUITE A
REDDING, CA 96002

Date: March 04, 2010
Escrow No. 1402-16192-DLS
Property Address:
868 MONTCREST DR
REDDING, CA 96003

AMENDED ESCROW INSTRUCTIONS

The original Escrow Instructions for the above referenced escrow number are hereby modified as to the following particulars only:

Title to be vested to: Adam R. Grossman, Trustee of the Montcrest 2010 Family Trust

FEDERAL HOME LOAN MORTGAGE CORPORATION
By:

By:______________________________
, Authorized signer

868 ~~THE~~ MONTCREST 2010 FAMILY TRUST
"868 Montcrest Dr Family Trust"

By: [signature]
ADAM R GROSSMAN, TRUSTEE
Managing member, TOCM LLC on behalf of Atmingo RE Fund LLC trustee 868 Montcrest Dr Family Trust

instsupp.doc (2/2005)

1593

PLACER TITLE COMPANY

Buyer/Borrower Estimated Settlement Statement

Estimated Closing Date: 03-10-2010 | Date: 03-04-2010 04:47PM

Escrow Officer: Donna Stefani | Escrow No. 1402-18192 DLS

Buyer(s)/Borrower(s):
ADAM R GROSSMAN, TRUSTEE OF THE MONTCREST 2010 FAMILY TRUST

Property: 868 MONTCREST DR
REDDING, CA 96003

Item	Charges	Credits
Sales Price	215,000.00	
REPLACEMENT CHECK		4,000.00
Wire Received		229,000.00
2008 CLTA/ALTA Homeowner's Policy PLACER TITLE COMPANY	962.00	
County Transfer Tax PLACER TITLE COMPANY	236.50	
Recording Fees Grant Deed (Est.) PLACER TITLE COMPANY	20.00	
Escrow Fee (50/50) PLACER TITLE COMPANY	423.50	
Tax Proration: 2009-10 12/31/2009-03/10/2010 @ 8.2601 p/d (Est.)		569.95
Taxes to be Paid: 2nd Install 2009-10	1,486.81	
Termite Inspection SHASTA TERMITE CONTROL	125.00	
Home inspection NORTH STATE HOME INSPECTION SERVICES	245.00	
Payment Green Acres Landscaping	3,560.00	
Payment JJ&R Construction	6,760.00	
Payment Ron & Don's Painting	2,500.00	
**** SubTotals ****	233,318.81	233,569.95
Due To Buyer/Borrower	251.14	
Totals	233,569.95	233,569.95

wired Tarrington Dave acct
3/16 506065

Initials:

Form BUYER.EST (7/2007)

1594

PLACER TITLE COMPANY

Buyer's/Borrower's Estimated Settlement Statement

Estimated Closing Date: 03-10-2010 Continued Date: 03-04-2010 04:47PM

Escrow Officer: Donna Stefani Escrow# 1402-16192

Buyer(s):
ADAM R GROSSMAN, TRUSTEE OF THE MONTCREST 2010 FAMILY TRUST

Property: 868 MONTCREST DR
REDDING, CA 96003

I/We hereby agree to pay all my proper costs and fees, including any taxes, assessments and liens of public record, and any adjustments thereto, and authorize you to deduct same from funds due me and remit the balance to me at an address designated by the undersigned.

THE MONTCREST 2010 FAMILY TRUST

By: [signature], managing member TDCM LLC on behalf of Ptarmigan Fund RE LLC, trustee of 868 Montcrest 2010 Family Trust
ADAM R GROSSMAN, TRUSTEE

Form BUYER.EST.STL.LTR (3/2007)

1595

RECORDING REQUESTED BY

PLACER TITLE COMPANY

Escrow Number: 1402-16192-DLS

AND WHEN RECORDED MAIL TO

ADAM R GROSSMAN
1095 Hilltop Dr. Ste 316
Redding, CA. 96003

READ AND APPROVED:

APN: 117-460-074

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

The undersigned grantor(s) declare(s):
Documentary transfer tax is $236.50 City Transfer Tax: $0.00
(X) computed on full value of property conveyed, or
() computed on full value less value of liens and encumbrances remaining at time of sale.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, FEDERAL HOME LOAN MORTGAGE CORPORATION

a managing member of TDCM LLC on behalf of Ptarmigan RE Fund LLC, trustee of

Hereby GRANT(S) to ADAM R GROSSMAN, TRUSTEE OF MONTCREST 2010 FAMILY TRUST "

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SHASTA, CITY OF REDDING, AND IS DESCRIBED AS FOLLOWS:

LOT 24 AS SHOWN ON THE MAP OF VISTA RIDGE ESTATES, UNIT 2, FILED FOR RECORD JULY 9, 2004 IN BOOK 23 OF MAPS AT PAGE 48, SHASTA COUNTY RECORDS.

Dated: February 24, 2010

FEDERAL HOME LOAN MORTGAGE CORPORATION

By: Charlotte Elliott
Authorized Signer for
First American Asset Closing Services, as Attorney in Fact

Authorized Signer of
National Default REO Services,
a Delaware Limited Liability
Company dba First American
Asset Closing Services("FAACS"),
as Attorney in fact and/or agent

MAIL TAX STATEMENTS TO PARTY SHOWN ON FOLLOWING LINE; IF NO PARTY SHOWN, MAIL AS DIRECTED ABOVE.

SAME AS ABOVE

Name	Street Address	City & State

2/24/2010

PRELIMINARY CHANGE OF OWNERSHIP REPORT

FOR RECORDER'S USE ONLY

(To be completed by transferee (buyer) prior to transfer of subject property in accordance with Section 480.3 of the Revenue and Taxation Code.) A Preliminary Change of Ownership Report must be filed with each conveyance in the County Recorder's office for the county where the property is located; this particular form may be used in all 58 counties of California.

THIS REPORT IS NOT A PUBLIC DOCUMENT

SELLER/TRANSFEROR: FEDERAL HOME LOAN MORTGAGE CORPORATION
BUYER/TRANSFEREE: ADAM R GROSSMAN, TRUSTEE OF THE MONTCREST 2010 FAMILY TRUST
ASSESSOR'S PARCEL NUMBER(S): 117-460-074
PROPERTY ADDRESS OR LOCATION: 868 MONTCREST DR, REDDING, CA 96003
MAIL TAX INFORMATION TO: Name: ADAM R GROSSMAN, TRUSTEE
Address: 1095 Hilltop Dr. Ste 316, Redding, CA, 96003
Phone Number (8am-5pm)

NOTICE: A lien for property taxes applies to your property on January 1 of each year for the taxes owing in the following fiscal year, July 1 through June 30. One-half of these taxes is due November 1, and one-half is due February 1. The first installment becomes delinquent on December 10, and the second installment becomes delinquent on April 10. One tax bill is mailed before November 1 to the owner of record. You may be responsible for the current or upcoming property taxes even if you do not receive the tax bill.

The property which you acquired may be subject to a supplemental assessment in an amount to be determined by the SHASTA County Assessor. For further information on your supplemental roll obligation, please call the SHASTA County Assessor at 530-225-3600.

PART I: TRANSFER INFORMATION (please answer all questions)

YES NO

☐ ☒ A. Is this transfer solely between husband and wife (addition of a spouse, death of a spouse, divorce settlement, etc.)?
☐ ☐ B. Is this transaction only a correction of the name(s) of the person(s) holding title to the property (for example, a name change upon marriage)? Please explain
☐ ☐ C. Is this document recorded to create, terminate, or reconvey a lender's interest in the property?
☐ ☐ D. Is this transaction recorded only as a requirement for financing purposes or to create, terminate, or reconvey a security interest (e.g., cosigner)? Please explain
☐ ☐ E. Is this document recorded to substitute a trustee of a trust, mortgage, or other similar document?
☐ ☐ F. Did this transfer result in the creation of a joint tenancy in which the seller (transferor) remains as one of the joint tenants?
☐ ☐ G. Does this transfer return property to the person who created the joint tenancy (original transferor)?
☐ ☐ H. Is this a transfer of property:
1. to a revocable trust that may be revoked by the transferor and is for the benefit of the ☐ transferor ☐ transferor's spouse?
2. to a trust that may be revoked by the Creator/Grantor who is also a joint tenant, and which names the other joint tenant(s) as beneficiaries when the Creator/Grantor dies?
3. to an irrevocable trust for the benefit of the ☐ Creator/Grantor and/or ☐ Grantor's spouse?
4. to an irrevocable trust from which the property reverts to the Creator/Grantor within 12 years?

☐ ☐ I. If this property is subject to a lease, is the remaining lease term 35 years or more including written options?
☐ ☐ *J. Is this a transfer between ☐ parent(s) and child(ren)? ☐ or from grandparent(s) to grandchild(ren)?
☐ ☐ *K. Is this transaction to replace a principal resident by a person 55 years of age or older? Within the same county? ☐ Yes ☐ No
☐ ☐ *L. Is this transaction to replace a principal residence by a person who is severely disabled as defined by Revenue and Taxation Code Section 69.5? Within the same county? ☐ Yes ☐ No
☐ ☒ M. Is this transfer solely between domestic partners currently registered with the California Secretary of State?

* If you checked yes to J, K or L, you may qualify for a property tax reassessment exclusion, which may result in lower taxes on your property. If you do not file a claim, your property will be reassessed.

Please provide any other information that will help the Assessor to understand the nature of the transfer.

If the conveying document constitutes an exclusion from a change in ownership as defined in section 62 of the Revenue and Taxation Code for any reason other than those listed above, set forth the specific exclusions claimed: ______

Please answer all questions in each section. If a question does not apply, indicate with "N/A." Sign and date at bottom of second page.

PART II: OTHER TRANSFER INFORMATION

A. Date of transfer if other than recording date: ______
B. Type of transfer. Please check appropriate box.
☒ Purchase ☐ Foreclosure ☐ Gift ☐ Trade or Exchange ☐ Merger, Stock, or Partnership Acquisition
☐ Contract of Sale - Date of Contract: ______
☐ Inheritance - Date of Death: ______ ☐ Other: Please explain: ______
☐ Creation of Lease ☐ Assignment of a Lease ☐ Termination of a Lease ☐ Sale/Leaseback
☐ Date lease began: ______
☐ Original term in years (including written options): ______
☐ Remaining term in years (including written options): ______
Monthly Payment ______ Remaining Term ______
C. Was only a partial interest in the property transferred? ☐ Yes ☒ No
If yes, indicate the percentage transferred: ______%

Please write Assessor's Parcel Number(s): 117-460-074

Please answer, to the best of your knowledge, all applicable questions, then sign and date. If a question does not apply, indicate with "N/A."

PART III: PURCHASE PRICE AND TERMS OF SALE

A. CASH DOWN PAYMENT OR Value of Trade or Exchange (excluding closing costs) Amount $215,000.00

B. FIRST DEED OF TRUST @ % interest for years. Pymts/Mo. = $ (Prin. & Int. only) Amount $
()FHA (Discount Pts.) ( ) Fixed Rate () New Loan
() Conventional ( ) Variable Rate () Assumed Existing Loan Balance
() VA (Discount Pts.) ( ) All Inclusive D.T. ($_______wrapped) ( ) Bank or Savings & Loan
( ) Cal-Vet () Loan Carried by Seller ( ) Finance Company
Balloon Payment ( ) Yes ( ) No. Due date: Amount $

C. SECOND DEED OF TRUST @ % interest for years. Pymts./Mo.= $ (Prin. & Int. only) Amount $
( ) Bank or Savings & Loan ( ) Fixed Rate () New Loan
() Loan Carried by Seller ( ) Variable Rate () Assumed Existing Loan Balance
Balloon Payment ( ) Yes ( ) No Due date: Amount $

D. OTHER FINANCING: Is other financing involved not covered in (b) or (c) above? ()Yes (X) No Amount $
Type: @ % interest for years. Pymts./Mo. = $ (Princ. & Int. only)
☐ Bank or Savings & Loan ☐ Fix Rate () New Loan
() Loan Carried by Seller ☐ Variable Rate () Assumed Existing Loan Balance
Balloon Payment ☐ Yes ☐ No Due Date: Amount $

E. WAS AN IMPROVEMENT BOND ASSUMED BY THE BUYER? ☐ Yes ☐ No Outstanding Balance Amount $

F. TOTAL PURCHASE PRICE (or acquisition price, if traded or exchanged, include real estate commission if paid.)
Total Items A through E $215,000.00

G. PROPERTY PURCHASED (X) Through a Broker ( ) Direct from Seller ☐ From a family member ☐ Other:

If purchased through a broker, provide Broker's name and phone number: MARK LYNCH, 530-221-7560

Please explain any special terms, seller concessions, or financing and any other information that would help the Assessor understand the purchase price and terms of sale.

PART IV: PROPERTY INFORMATION

A. TYPE OF PROPERTY TRANSFERRED:
☒ Single Family Residence ☐ Agricultural ☐ Timeshare
☐ Multiple Family Residence (# of units:) ☐ Co-op/Own your own ☐ Manufactured Home
☐ Commercial/Industrial ☐ Condominium ☐ Unimproved lot
☐ Other (Description:)

B. IS THIS PROPERTY INTENDED AS YOUR PRINCIPAL RESIDENCE? ☐ Yes ☒ No
If yes, enter date of occupancy ____/____/____ (Month Day Year) or intended occupancy ____/____/____ (Month Day Year)

C. IS PERSONAL/BUSINESS PROPERTY INCLUDED IN PURCHASE PRICE (i.e., furniture, farm equipment, machinery, etc.) (other than a manufactured home subject to local property tax)? ☐ Yes ☒ No
If yes, enter the value of the personal property included in the purchase price $__________ (Attach itemized list of personal property.)

D. IS A MANUFACTURED HOME INCLUDED IN PURCHASE PRICE? ☐ Yes ☒ No
If yes, how much of the purchase price is allocated to the manufactured home? $__________
Is the manufactured home subject to local property tax? ☐ Yes ☐ No What is the decal number? __________

E. DOES THE PROPERTY PRODUCE INCOME? ☒ Yes ☐ No If yes, is the income from:
☒ Lease/Rent ☐ Contract ☐ Mineral Rights ☐ Other - Explain:

F. WHAT WAS THE CONDITION OF THE PROPERTY AT THE TIME OF SALE?
☒ Good ☐ Average ☐ Fair ☐ Poor

Please explain the physical condition of the property and provide any other information (such as restrictions, etc.) that would assist the Assessor in determining the value of the property.

CERTIFICATION

OWNERSHIP TYPE X	
Proprietorship ☐ Partnership ☐ Corporation ☐ Other ☐	*I certify that the foregoing is true, correct and complete to the best of my knowledge and belief. This declaration is binding on each and every co-owner and/or partner.*

NAME OF NEW OWNER/CORPORATE OFFICER	TITLE
SIGNATURE OF NEW OWNER/CORPORATE OFFICER [signature]	DATE
NAME OF ENTITY (typed or printed)	FEDERAL EMPLOYER OR ID NUMBER
ADDRESS (typed or printed) / EMAIL ADDRESS	DATE

(NOTE: The Assessor may contact you for additional information.)

If a document evidencing a change of ownership is presented to the recorder for recordation without the concurrent filing of a preliminary change of ownership report, the recorder may charge an addition recording fee of twenty dollars ($20)

1598

PLACER TITLE COMPANY
A MOTHER LODE COMPANY

Buyer Receipt of Preliminary Report & Other Documents

Date: March 04, 2010

Escrow No.: 1402-16192-DLS
Property: 868 MONTCREST DR, REDDING, CA 96003

We, the undersigned parties in the above referenced transaction hereby acknowledge receipt of a copy of the following items and have read and approved a copy of the same.

(X) Preliminary report
(X) C, C, & R's
( ) Homeowner's Association Documents (By-laws, Financial Statements, Rules & Regulations and Articles of Incorporation)

THE MONTCREST 2010 FAMILY TRUST

By: ______________________
~~ADAM R GROSSMAN, TRUSTEE~~

Managing member TDCM LLC, on behalf of Pt. RE Fund LLC, trustee of 868 Montcrest 2010 Family Trust

AGENTS AND CORPORATIONS, INC.

PROFESSIONAL CORPORATION SERVICES SINCE 1974

DAVID N. WILLIAMS, ESQUIRE
PRESIDENT

JOHN L. WILLIAMS, ESQUIRE
VICE PRESIDENT

SUITE 600, ONE COMMERCE CENTER
1201 ORANGE STREET
P.O. BOX 511
WILMINGTON, DE 19899-0511

PHONE: (302) 575-0877
(800) 759-2248
FAX: (302) 575-0925

E-MAIL ADDRESS:
AGENTS@INCNOW.COM
WWW.INCNOW.COM

May 7, 2009

Mr. Adam Grossman
6821 39th Ave., NE
Seattle, WA 98115

Re: Formation of Terrington Davies Capital Management LLC

Dear Mr. Grossman:

27-0161957

Please be advised that the above captioned Limited Liability Company ("L.L.C.") was formed and became effective in Delaware on May 7, 2009. Enclosed is a stamped filed copy of the Certificate of Formation as returned to us by the office of the Delaware Secretary of State.

In addition, enclosed for your review and the signature of each member, is the Limited Liability Company Agreement which is a private agreement of which each Member should keep a completed and signed copy in his, her or its personal records. Since additional information is required to complete the LLC Agreement, please note that you need to do the following:

Page No.

1. In the first paragraph, fill in the date the Agreement is signed;

2. In paragraph 1.5, fill in the principal place of business of the LLC;

2&3. In paragraph 3.2, enter the amount of initial capital contribution by each Member, and, in paragraph 3.5 the number of voting units to be owned by each Member;

6. In paragraph 6.3, please insert the name of the Member to be the "Tax Matters Member" for income tax purposes;

7. The Voting Members with the majority of Voting Units may delegate their power and authority to a President, Secretary and Treasurer, ~~who could all be the same person and could be a Member of the Company,~~ by filling in their name or names in Paragraph 7.1;

17. In paragraph 11.1 provide the addresses requested.

Enclosed is the Form SS-4 Application for Employer Identification Number (EIN) which is required if your LLC has two or more Members. You may call the Internal Revenue Service at 1 (800) 829-4933 to request the assignment of the EIN number unless you paid us to apply for the EIN.

Our easily understood 11 page Tax and Legal Tips is available on our Web Site. We have enclosed sample Promissory Notes and Medical Reimbursement Plan. Form 2553 is also enclosed if you want to make a Subchapter S Election for your LLC.

We have enclosed Internal Revenue Service Form 8832, Entity Classification Election if you want your LLC classified as a taxable corporation (C Corporation) instead of a sole proprietorship (One Member LLC) or partnership (Multi Member LLC). If you decide to file it, you should complete the Form and check the appropriate boxes in Sections 1 and 2 as to how you want this L.L.C. to be classified with the Internal Revenue Service. The Managing Member should then sign the completed Form and file it with the Internal Revenue Service Office located near you within 75 days after the date of formation or beginning of a tax year.

If this Delaware L.L.C. does business in other states, we suggest that you consult with legal counsel in that state to determine if the L.L.C. should qualify to do business in that state. The same is true if the L.L.C. does business outside of the United States.

REMINDERS

Please be reminded that the Registered Agent address is not and should never be used as a business address for your LLC. State law requires every LLC to have a Registered Agent for the sole purpose to accept and forward any service of process due to legal action against your LLC and to forward State reports.

Once a year you will receive from us the Delaware Annual LLC Tax Notice to file with the Delaware Secretary of State with the required payment or pay online in order to keep your LLC in good standing. You will also receive our Registered Agent bill for $90.00 once a year. Please let us know of any changes in the contact person or address.

This completes the formation of this Limited Liability Company. If you have any questions, please call our incorporation specialists.

Yours truly,

David N. Williams

State of Delaware
Secretary of State
Division of Corporations
Delivered 12:56 PM 05/07/2009
FILED 10:09 AM 05/07/2009
SRV 090439745 - 4684486 FILE

CERTIFICATE OF FORMATION
OF
Terrington Davies Capital Management LLC

The undersigned, being an authorized person for purposes of executing this Certificate of Formation on behalf of Terrington Davies Capital Management LLC, a Delaware Limited Liability Company (the "L.L.C."), desiring to comply with the requirements of 6 Del.C. Section 18-201 and the other provisions of the Delaware Limited Liability Company Act, 6 Del.C. Section 18-101, et seq. (the "Act"), hereby certifies as follows:

1. Name of the L.L.C.- The name of the L.L.C. is: Terrington Davies Capital Management LLC

2. Registered Office and Registered Agent of the L.L.C. - The name of the registered agent for service of process on the L.L.C. in the State of Delaware is Agents and Corporations, Inc. The address of the registered agent of the L.L.C. and the address of the registered office of the L.L.C. in the State of Delaware is 1201 Orange Street, Suite 600, City of Wilmington, New Castle County, Delaware 19801.

3. Date of Formation and Effective Date - The date of formation and the effective date of the L.L.C. shall be the date of filing of this Certificate of Formation with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, the undersigned hereby executes this Certificate of Formation in accordance with the provisions of 6 Del.C. Section 18-201 this 7th day of May, 2009.

David N. Williams
(Authorized Person)

#6

Chase Personal Checking Account

Source of Deposits

Date	Description	D2	Amount	Source
2009-01-21	Fed Wire Credit		10000.00	Credit Card
2009-03-02	Fed Wire Credit		2800.00	Credit Card
2009-05-08	Fia Csna		2371.00	Credit Card
2009-05-21	Fia Csna		8500.00	Credit Card
2009-05-26	Fia Csna		9500.00	Credit Card
2009-06-09	ATM Deposit		8262.29	Credit Card
2009-06-25	ATM Deposit		8000.00	Credit Card
2009-01-30	Mail Deposit		2200.00	Jill
2009-01-30	Mail Deposit		2200.00	Jill
2009-02-09	Mail Deposit		2200.00	Jill
2009-05-06	Mail Deposit		3600.00	Jill
2009-06-05	Deposit		2200.00	Jill
2009-06-22	ATM Deposit		2200.00	Jill
2009-08-21	Deposit		8000.00	TD via LeBlanc
2009-09-08	Deposit		8500.00	TD via LeBlanc
2009-12-21	On-line Transfer from XXXXX9774		4000.00	Loegering
2009-12-28	On-line Transfer from XXXXX9774		1000.00	Loegering
2010-03-25	Deposit		1000.00	Loegering
2010-05-10	Deposit		2000.00	Loegering
2010-05-13	Deposit		2000.00	Loegering
2009-09-04	Deposit		16000.00	Opie
2009-05-01	Card Purchase Return		102.00	Purchase Refund
2009-09-10	Credit Return		180.00	Purchase Refund
2009-11-17	Card Purchase Return		105.00	Purchase Refund
2010-01-13	Card Purchase Return		12.99	Purchase Refund
2009-03-04	Fed Wire Credit		75000.00	Tanager Fund Redemption
2009-08-10	Deposit		200.00	TDCM chkg
2009-08-17	Deposit		6400.00	TDCM chkg
2009-08-19	Deposit		6000.00	TDCM chkg
2009-10-15	Deposit		7500.00	TDCM chkg
2009-10-15	Deposit		7500.00	TDCM chkg
2009-11-13	Deposit		6500.00	TDCM chkg
2009-11-30	Deposit		4000.00	TDCM chkg
2010-01-06	Deposit		4000.00	TDCM chkg
2010-01-21	Deposit		4000.00	TDCM chkg
2010-01-21	Deposit		4000.00	TDCM chkg
2010-02-03	Deposit		2500.00	TDCM chkg
2010-02-22	Deposit		500.00	TDCM chkg
2010-02-25	Deposit		500.00	TDCM chkg
2010-03-08	ATM Cash Deposit		2500.00	TDCM chkg
2010-04-05	ATM Cash Deposit		1000.00	TDCM chkg
2010-04-09	ATM Cash Deposit		1000.00	TDCM chkg
2010-05-03	ATM Cash Deposit		100.00	TDCM chkg

Total Deposits from TDCM chkn($58,200